



Robert S. Peters
Secretary

COMMONWEALTH OF KENTUCKY
PERSONNEL CABINET
200 FAIR OAKS LANE
5TH FLOOR
FRANKFORT, KENTUCKY 40601

Paul E. Patton
Governor

August 20, 1997

PERSONNEL MEMO 97-8

MEMORANDUM

TO: Cabinet Secretaries
Agency Heads
Personnel Executives

FROM: Robert S. Peters
Secretary

SUBJECT: Kentucky Employees' Charitable Campaign

In order that the Kentucky Employees' Charitable Campaign (KECC) be administered uniformly and with maximum consistency, the procedures have been set out in the attached Administrative Order 97-2. This order will ensure that the practices established at the implementation of the combined campaign will continue.

While the order provides that employee volunteers shall be allowed reasonable state-paid time for campaign activities, it also reduces workplace disruption by prohibiting KECC organizations from soliciting funds outside the annual campaign dates. This order also encourages the conduct of the fall campaign in the spirit of true voluntary giving.

Please distribute this order to your employees.

RSP/JMW:bjw

Enclosure



Robert S. Peters
Secretary

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**COMMONWEALTH OF KENTUCKY
PERSONNEL CABINET**

ADMINISTRATIVE ORDER 97-2

**KENTUCKY EMPLOYEES' CHARITABLE CAMPAIGN
(KECC)**

August 6, 1997

Whereas: The Kentucky Employees' Charitable Campaign (KECC) was established to provide an opportunity for employees to contribute to eligible Kentucky organizations through the state's payroll deduction process; to ensure credit to participants in regard to the funds raised; to encourage the involvement of state employees as responsible citizens; to give recognition to state employee volunteers; and to minimize workplace disruption and administrative costs to Kentucky taxpayers by allowing only one statewide payroll deduction charitable solicitation per year; and,

Whereas: The Secretary of the Kentucky Personnel Cabinet is authorized by K.R.S. 18A.030(2)(I) to prepare programs in cooperation with the Appointing Authorities that advance employee morale and welfare; and,

Whereas: It is deemed necessary to establish procedures which foster the purposes set forth above;

Now, Therefore I, Robert S. Peters, Secretary of the Kentucky Personnel Cabinet, pursuant to the authority vested in me by K.R.S. 18A.030, do hereby establish the following procedures for the operation and control of the Kentucky Employees' Charitable Campaign within the Executive Branch of the Commonwealth of Kentucky.

I. General Provisions

The solicitation period for the Kentucky Employees' Charitable Campaign shall take place at a time agreed upon by the Kentucky Employee's Charitable Campaign Committee and the participating federations.

II. Definitions

A. For the purpose of the Kentucky Employees' Charitable Campaign, a "*charitable federation*" shall mean a legally constituted grouping of at least 10 health and human welfare organizations, all of which qualify as exempt voluntary charitable organizations under the IRS code section 501(c)(3), and which have a substantial Kentucky presence.

B. "*Substantial Kentucky presence*" means an office, staffed by professionals or volunteers, available to provide its services and open at least 15 hours a week and with a regional or statewide presence. Such services must be available to state employees in the local community. Such services shall directly benefit human beings whether children, youth, adults, the aged, the ill and infirm, or the mentally or physically handicapped. Such services shall consist of care, research, education or prevention in the fields of human health or social adjustment and rehabilitation; relief for victims of natural disasters and other emergencies; or assistance to those who are impoverished and in need of food, shelter, clothing and basic human welfare services.

C. "*Approved charitable federation*" means any charitable organization which meets the above definition and the following criteria and has been approved by the Secretary of Personnel for participation in the campaign. Federations may apply on behalf of all their member organizations which meet the qualifications as described above for "substantial Kentucky presence." Both federations and all federation members shall comply with the following criteria:

1. Provide proof of tax exempt status under Internal Revenue Code 501(c)(3).
2. Provide proof of current registration and compliance with the reporting requirements of the Secretary of State.
3. Provide proof of financial responsibility, including but not limited to, the adoption of a detailed annual budget; the use of generally accepted accounting principles and procedures; the Board of Director's approval for deviations from the approved budget; and an annual certified financial audit in accordance with generally accepted auditing standards (GAAS). When agencies' budgets are less than \$100,000, a copy of the agency's IRS form 990 will be accepted.
4. Provide proof of direction by an active Board of directors which meets regularly and whose members serve without compensation.
5. A written non-discrimination policy.
6. Public disclosure of fund raising administrative costs with a statement demonstrating that, if fund and administrative expenses are in excess of 25% of total support and revenue, actual expense for those purposes are reasonable under all the circumstances in its case.
7. Publication of an annual report available to the general public, which includes a full description of the organization's Kentucky activities including

fund raising activities.

D. "*Designated non-profit agency*" means any organization with proof of tax exempt status under Internal Revenue Code 501(c)(3) which is written in on a pledge card by a state employee as a choice to receive contributions.

E. "*State employee*" means a person, including an elected official, who is employed by any department, board, agency or branch of state government, except one relating to the state colleges of universities.

III. **Authority of the Secretary of Personnel**

The Secretary of Personnel has the full authority over the procedures and policies relating to the operation of the Kentucky Employees' Charitable Campaign pursuant to KRS 18A.030(2)(i). The Secretary will designate a group of state employees to compose the Kentucky Employees' Charitable Campaign Committee to make recommendations on such matters.

IV. **Kentucky Employees' Charitable Campaign Committee**

This committee will be made up of a cross-section of state employees, involving the large cabinets and small agencies. The chair of the committee shall be appointed by the Secretary. The committee may make recommendations on the following considerations:

A. Designation of a Campaign Administrator. The Campaign Administrator shall serve for a minimum period of two years. This Campaign Administrator will be charged to manage and administer the charitable fund campaign for the Commonwealth, subject to the direction and control of the Secretary of Personnel. The Campaign Administrator must be a non-profit federation with statewide workplace campaign experience and have the necessary staff and volunteer support to administer the Kentucky Employees' Charitable Campaign.

B. Charitable federation included in the statewide campaign: Federations desiring inclusion must make application by February 15 of the prior year. Any charitable organization that has previously participated in the campaign is eligible as long as it fulfills all current conditions of eligibility.

C. Establishment of minimum amount, based on cost effectiveness, that an employee may authorize to be deducted for each approved federation.

D. The format of the brochure, pledge card and other promotional materials for the annual campaign.

E. The dates and duration of the campaign.

F. The annual campaign budget submitted by the Campaign Administrator. The costs of the campaign, which will be detailed in the budget, will be borne by each recipient organization, proportionally.

G. The Personnel Cabinet will disburse the contribution twice monthly to the Campaign Administrator which will disburse the funds to the approved charitable organizations on a quarterly basis within thirty (30) days ending each quarter. Cash donations from the current campaign will be disbursed within seventy-five (75) days of the final event of that campaign.

V. The Campaign Administrator

The Campaign Administrator's responsibilities include:

A. Provides staffing to manage and administer the annual campaign. This includes preparing drafts of campaign materials for consideration by the Secretary of Personnel.

B. Serves as the central accounting point for both campaign cash and for payroll deductions received from the Personnel Cabinet. This includes the preparation and submission of an annual campaign budget. Costs of the campaign will be divided among recipient organizations proportionate with contributions. A separate account must be maintained for managing the income and expenses of the campaign.

C. The Personnel Cabinet will supply the Administrator the documentation from the approved Federation's applications.

D. Distributes campaign funds received from the Personnel Cabinet to participating organizations in accordance with agreed upon time periods. This includes distribution of funds to designated non-profit agencies.

E. Provides an end-of-campaign report to the Secretary of Personnel and to participating organizations (approximately seventy-five [75] days from the final event.)

F. Provides to participating charities the list of authorized donor names and addresses for acknowledgment and a list of the individual charity recognition donors within thirty (30) days of the end-of-campaign report.

G. Furnishes annually a certified audit prepared by an independent Certified Public Accountant.

H. Reports to Secretary of Personnel failure of any federation to comply with the rules for participation in the KECC.

I. Upon notification of an employee solicitation meeting, the administrative organization shall immediately notify each participating federation of the date, time and location of the meeting.

VI. Employee Participation

A. The Commonwealth of Kentucky will direct its agencies to approve reasonable state paid time for employee volunteers to participate in KECC activities (i.e., advisory committee meetings, supportive committee meetings, training sessions, workplace meetings, kickoff meetings, and distribution of campaign materials.)

B. The Commonwealth of Kentucky government will allow its agencies to detail, on administrative leave, loaned executives to assist in the campaign on a voluntary basis. Loaned Executives are assigned to and under the supervision of the administrative organization and are prohibited from working on non-KECC fundraising activities while on duty as a loaned executive.

C. Kentucky state government retirees will be allowed to participate in the campaign through a mailed solicitation approved by the Kentucky Retirement System provided that participants agree not to duplicate or divulge the addresses of members to any person or entity for any purpose.

VII. Solicitation Methods

A. Employee solicitations shall be conducted during duty hours using methods that permit true voluntary giving. Campaign kickoffs, victory events, awards and other non-solicitation events to build support for the KECC are encouraged.

B. Special KECC fundraising events such as: auctions, bake sales, carnivals, athletic events or other activities are encouraged with the approval of the appropriate agency head or government official consistent with agency ethics and regulations.

C. Participating Federations and the organizations they represent, may solicit state government employees only during the campaign dates determined each year by the Kentucky Employees' Charitable Campaign Committee. Any other solicitations are prohibited.

VIII. Preventing Coercive Activity

True voluntary giving is fundamental to state employee fundraising activities. Actions that do not allow free choices or even create the appearance that employees do not have a free choice to give or not to give, or to publicize their gifts or to keep them confidential, are contrary to state fundraising policy. Practices that are not permitted include but are not limited to: solicitation of employees by their supervisors, setting of 100% participation goals, establishing personal dollar goals and quotas, using as a factor in a supervisor's performance evaluation the results of the solicitation in the supervisor's area.

IX. Requirements for federations to participate in the KECC

A. A substantial Kentucky presence.

B. At least 10 member health and human organizations.

C. Federation itself is a 501(c)(3) with documentation of such.

D. Proof of current registration and compliance with the reporting requirements of the Secretary of State.

E. Certification that the expenses of the organization connected with lobbying and all attempts to influence voting or legislation at the local, State or Federal level would

classify it as a tax-exempt agency under 26 U.S.C. 501(h); or, certification that the organization does not engage in lobbying nor does it attempt to influence voting or legislation at the local, State or Federal level.

F. Certification that the organization accounts for its funds in accordance with generally accepted accounting principles (GAAP) and was audited in accordance with generally accepted auditing standards (GAAS) by an independent certified public accountant in the immediately preceding year. The audit must cover the fiscal year ending not more than 18 months prior to the January of the campaign year to which the organization is applying. For example, the audit included in the 1995 application must cover the fiscal period ending on or after June 30, 1993.

G. Certification that the organization is directed by an active and responsive governing body whose members have no material conflict of interest and, a majority of which serve without compensation.

H. A written non-discrimination policy.

I. Certification that the organization in the immediately preceding year has spent 25% or less of its total support and revenue on administrative and fundraising expenses. Or certification and documentation that, if the organization in the immediately preceding year has spent in excess of 25% of its total support and revenue on administrative and fundraising expenses, this percentage is reasonable under the circumstances.

J. Certification that the organization conducts publicity and promotional activities based upon its actual program and operations, that these activities are truthful and non-deceptive, includes all material facts and makes no exaggerated or misleading claims.

K. Certification that the organization prepares and makes available to the public an annual report that includes a full description of the organization's activities and supporting services and identifies its directors/governing body and chief administrative personnel. The annual report must cover the fiscal year or calendar year ending not more than 18 months prior to January of the campaign year to which the organization is applying. A more frequently published document, such as a quarterly newsletter, may be used to meet this requirement provided that such document is available to the general public upon request and describes the organization's activities and supporting services and identifies its directors and chief administrative personnel.).

L. Certification that the organization will not disclose its KECC contributor lists without written consent of participants, permits no payment of commissions, finders fees, percentages, bonuses, or similar practices in connection with its KECC fundraising practices.

M. Certification that organizations represented by the federation will only solicit state employees during the campaign dates determined by the Kentucky Employees' Charitable Campaign Committee.

X. Sanctions for Non-Compliance

Failure of a federation or one of its agencies, to comply with any of the above

stated regulations may result in the decertification of that federation for one campaign year.

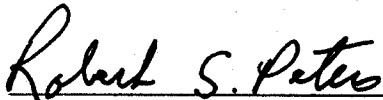
XI. Incorporation of Forms

Forms approved for participating in the Kentucky Employees' Charitable Campaign are attached to this Order and incorporated by reference.

XII. Implementation, Application and Modification

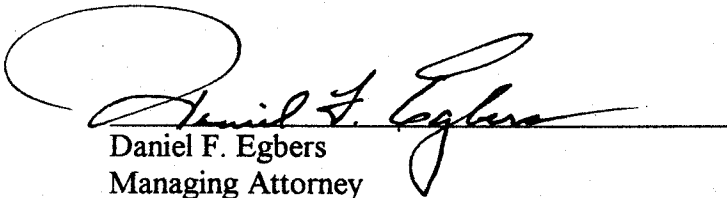
This Administrative Order shall become effective upon signature and supersedes all previous orders and practices to the extent of conflict. This Administrative Order may be modified only by the Secretary of Personnel.

Signed this 8th day of August, 1997



Robert S. Peters
Secretary

Approved for Form and Legality:



Daniel F. Egbers
Managing Attorney

**KENTUCKY EMPLOYEES' CHARITABLE CAMPAIGN
REQUIREMENTS FOR ELIGIBILITY**

Organization:

Address:

Telephone:

Contact Person:

Address:

Telephone:

I, _____, am the duly appointed
(Name)

representative of _____
(Organization)

authorized to certify and affirm all statements enclosed in this application.

(Signature)

(Typed or Printed Name)

(Title)

Date Completed: _____

1. I certify that the organization named in this application has a substantial Kentucky presence which means a facility, staffed by professionals or volunteers, available to provide its services and open at least 15 hours a week and with a regional or statewide presence. Such services are available to state employees in the local community. Such services directly benefit human beings whether children, youth, adults, the aged, the ill and infirm, or the mentally or physically handicapped. Such services consist of care, research, education or prevention in the fields of human health or social adjustment and rehabilitation; relief for victims of natural disasters and other emergencies; or assistance to those who are impoverished and in need of food, shelter, clothing and basic human welfare services.

Certifying Official's Signature

2. I certify that the organization named in this application is a charitable federation, a legally constituted grouping of at least 10 member health and human organizations.

Certifying Official's Signature

3. I certify that the organization named in this application is recognized by the Internal Revenue Service as tax-exempt under 26 U.S.C. 501 (c)(3). (Include a copy of the IRS determination letter as Attachment A.)

Certifying Official's Signature

4. I certify that the organization named in this application is currently registered and in compliance with the reporting requirements of the Secretary of State. (Include a copy of this form as Attachment B.)

Certifying Official's Signature

5. I certify that the expenses of the organization named in this application connected with lobbying and all attempts to influence voting or legislation at the local, State or Federal level would classify it as a tax-exempt agency under 26 U.S.C. 501(h).

Or

I certify that the organization named in this application does not engage in lobbying nor does it attempt to influence voting or legislation at the local, State or Federal level.

Certifying Official's Signature

6. I certify that the organization named in this application accounts for its funds in accordance with generally accepted accounting principles (GAAP) and was audited in accordance with generally accepted auditing standards (GAAS) by an independent certified public accountant in the immediately preceding year. (Include a copy of the organization's most recently completed audit as Attachment C.)

Certifying Official's Signature

7. I certify that the organization named in this application is directed by an active and responsive governing body whose members have no material conflict of interest and, a majority of which serve without compensation. (Include as Attachment D a list containing the names and addresses of the organization's governing body. Also include a statement describing each person's participation in the conduct of the organization's affairs. If there are more than ten members of the governing body, list the names and addresses of each and only a description of the executive committee member's role in the conduct of the organization's affairs.)

Certifying Official's Signature

8. I certify that the organization named in this application has a written non-discrimination policy. (Include a copy as Attachment E of this policy.)

Certifying Official's Signature

9. I certify that the organization named in this application in the immediately preceding year has spent 25% or less of its total support and revenue on administrative and fundraising expenses. The actual percentage of administrative and fundraising expenses is _____%.

Or

I certify that the organization named in this application in the immediately preceding year has spent in excess of 25% of its total support and revenue on administrative and fundraising expenses. The actual percentage of administrative and fundraising expenses is _____% and this percentage is reasonable under the circumstances. (Include as Attachment F a detailed justification of the organization's administrative and fundraising expenses and a detailed plan to reduce expenses to 25% in the next fiscal year.)

Certifying Official's Signature

10. I certify that the organization named in this application conducts publicity and promotional activities based upon its actual program and operations, that these activities are truthful and non-deceptive, includes all material facts and makes no exaggerated or misleading claims.

Certifying Official's Signature

11. I certify that the organization named in this application prepares and makes available to the public an annual report that includes a full description of the organization's activities and supporting services and identifies its directors/governing body and chief administrative personnel. (The annual report must cover the fiscal year or calendar year ending not more than 18 months prior to January of the campaign year to which the organization is applying. A more frequently published document, such as a quarterly newsletter, may be used to meet this requirement provided that such document is available to the general public upon request and describes the organization's activities and supporting services and identifies its directors and chief administrative personnel. Include as Attachment G a copy of the most recently completed annual report for the preceding year or newsletter.)

Certifying Official's Signature

12. I certify that the organization named in this application shall not duplicate or disclose its KECC contributor lists without written consent of participants, permits no payment of commissions, finders fees, percentages, bonuses, or similar practices in connection with its KECC fundraising practices.

Certifying Official's Signature

13. I certify that organizations represented by the federation named in this application will only solicit state employees during the campaign dates determined by the Kentucky Employees Charitable Campaign Committee.

Certifying Official's Signature

Secretary of Personnel Cabinet's Signature